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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

November 24, 2015

#### CERTIFIED RETURN RECEIPT

7013 3020 0002 3659 6481

Gary Mullard  
Northern Stone Supply  
203 West Main  
Oakley, Idaho 83346

Subject: Evaluation of Reclamation Surety, Northern Stone Supply, Turquoise Stone Mine, M/003/0020, Box Elder County, Utah

Dear Mr. Mullard:

The Division of Oil, Gas and Mining conducts periodic reviews of the reclamation surety for mining operations within the State. The amount of required surety may be adjusted as the result of a periodic review taking into account inflation/deflation based on an acceptable cost index (R647-4-113.6), and an update to the surety amount may be required.

To properly calculate the reclamation cost estimate, the Notice of Intention to Commence Large Mining Operations (LMO) needs to be up to date to ensure it is adequate and reflects the current operating conditions. Any necessary changes should be addressed by submitting an amendment to the LMO using form MR-REV (LMO).

In addition the Division has developed worksheets to assist both the Division and mine operators to calculate the reclamation cost using standard unit costs. These are available on the Division's web site at [http://linux3.ogm.utah.gov/WebStuff/wwwroot/minerals/bonding\\_worksheets.html](http://linux3.ogm.utah.gov/WebStuff/wwwroot/minerals/bonding_worksheets.html). Please complete these forms and return a copy to the Division for review. Once the forms have been reviewed, the Division will ask that you adjust the amount of surety (up or down) to reflect the current reclamation cost estimate. **Please submit the reclamation cost estimate and any changes to the operation and reclamation plans as an amendment to the LMO by February 16, 2016.**

Currently, you have provided a surety in the amount of \$78,600 (in 2011 dollars) for this site. The Bureau of Land Management holds the entire surety amount, but due to the land status change (from federal to private) as a result of receiving a patent on approximately 13 acres, the BLM can no longer continue to hold the full amount of the surety. The BLM needs to transfer bonding responsibility to the Division for the patented lands. Typically an operator would choose to have just one bond for the entire project, and this would be held by the Division on behalf of itself and the BLM. You may, however, have a reclamation surety held by the BLM for the portion of the disturbance on BLM land and a separate surety for patented lands. If you desire to bond the BLM and private lands separately, you will need to provide separate calculations for each.



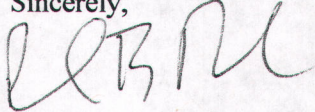


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Once the revised bond amount is agreed upon, you will be asked to provide the new bond amount. Assuming that you only want to have one bond for the entire project, upon acceptance and approval of the form and amount of surety by the Division, the BLM would fully release your current surety.

Thank you for your cooperation in keeping your reclamation surety current. Please contact Lynn Kunzler at 801-538-5310 or me at 801-538-5261 if you have questions concerning this letter. Questions about the reclamation surety instrument should be directed to the minerals program bond coordinator, Penny Berry, at 801-538-5291. Thank you for your cooperation.

Sincerely,

A handwritten signature in dark ink, appearing to read 'P. Baker', written over a light blue horizontal line.

Paul B. Baker  
Minerals Program Manager

PBB:mbt:pb

cc: Ed Ginouves, BLM ([eginouves@blm.gov](mailto:eginouves@blm.gov))

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